

Staff Briefing Papers

Meeting Date	May 23, 2019	Agenda Item 2*
Company	Department of Commerce/TAM (Telecommunications Access Minnesota)	
Docket No.	P999/PR-19-5 In the Matter of TAM's 2018 Annual Report P999/ M-19- 151 In the Matter of TAMs FY 2019 Proposed Budget and Surcharge Recommendations	
Issues	<ol style="list-style-type: none">1. Should the Commission accept TAM's 2018 Annual Report?2. Should the Commission approve TAM's proposed budget for FY 2020?3. Should the Commission approve the TAM surcharge increase to \$0.06?4. What other action, if any, should the Commission take in this matter?	
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Relevant Documents

Date

Order Accepting Report, Approving Budget, Maintaining Surcharge, and Requiring Filings (Docket No. PR-18-5 et al)	July 3, 2018
TAM 2018 Annual Report to the Commission (Docket No. P999/RP 19-5)	February 4, 2019
TAM FY 2020 Budget and Surcharge Recommendations (Docket No. P999/M 19-151)	April 15, 2019

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

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I. Statement of the Issues

1. Should the Commission accept TAM's 2018 Annual Report?
2. Should the Commission approve TAM's proposed budget for FY 2020?
3. Should the Commission approve the TAM surcharge increase to \$0.06?
4. What other actions, if any, should the Commission take in this matter?

II. Background

A. Overview of Telecommunications Access Minnesota (TAM)

The Telecommunications Access Minnesota (TAM) program was created by the Legislature in 1987 to make Minnesota's telecommunications system fully accessible to eligible individuals who are deaf, hard of hearing, deafblind, speech disabled or physically disabled to allow them access to the telecommunications network. Minn. Stat. §§237.50 – 237.56 and Minn. Rules, Chapter 8775 govern the operation of the program.

TAM is administered within the Department of Commerce (Department). Rochelle Garrow is the TAM Program Administrator. The program has two major components: the Minnesota Relay and the Telephone Equipment Distribution (TED) program.

The Minnesota Relay is a federally-mandated relay service that allows functionally equivalent communication between a person with a hearing or speech disability and any other telephone user.¹ A specially trained communications assistant facilitates the telephone conversation between a person who has hearing loss or a speech disability and other individuals. Calls can be made to anywhere in the world, 24 hours a day, 365 days a year, with no restrictions on the number, length, or type of calls. All calls are confidential and records of conversations are not kept. The State of Minnesota contracts with Sprint Communications Company, L.P. to provide the Minnesota Relay in Minnesota. (Department in 2018 TED Report at p.5 and 14.)

TED distributes specialized telecommunications equipment to eligible deaf, hard-of-hearing, speech-impaired and mobility-impaired persons to allow them access to the telecommunications network. The TED Program is responsible for:

- Distributing specialized telecommunications devices to income eligible Minnesotans;
- Informing the public of services available through the program and
- Providing training for the use of distributed equipment.

¹ Minnesota Relay must comply with the requirements and intent of Title IV of the Americans with Disabilities Act of 1990, United States Code, title 47, section 225, Code of Federal Regulations, title 47, sections 64.601 to 64.606, and Minnesota Statutes section 237.50 to 237.56.

The Department administers the TED program through an interagency agreement with the Department of Human Services (DHS). (Department in 2018 TED Report at p. 23.)

In addition to the two main programs, the TAM surcharge also funds one-time direct appropriations and additional programs administered by the Department of Employment and Economic Development (DEED), the Department of Human Services (DHS), and the Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans (MCDHH). These are summarized in Attachment A: Other Programs Funded by the TAM Surcharge, 2005-2020.

TAM is funded by a monthly surcharge on all wired and wireless access lines, the most recent changes being from \$0.08 to \$0.07 cents occurring in 2015 and from \$0.07 to \$0.05 on August 1, 2016, where it remains. By law, the surcharge may not exceed \$0.20 per access line. The Department is recommending an increase at this time in the surcharge to \$0.06.

B. Department's Administrative Role

The Department administers the TAM fund, and manages vendor contracts and interagency agreements. Minnesota Relay services are provided to the State under contract with Sprint Communications Company L.P. The TED Program, Minnesota Relay Outreach services, and the Rural Real-time Captioning program are provided through interagency agreements with the DHS. The Accessible News for the Blind program is provided by an interagency agreement with the Department of Employment and Economic Development (DEED). The Department's statutory authority is as follows:

M.S. 237.51 TELECOMMUNICATIONS ACCESS MINNESOTA PROGRAM ADMINISTRATION.

Subdivision 1. Creation. The commissioner of commerce shall:

- (1) administer through interagency agreement with the commissioner of human services a program to distribute telecommunications devices to eligible persons who have communication disabilities; and
- (2) contract with one or more qualified vendors that serve persons who have communication disabilities to provide telecommunications relay services.

For purposes of sections 237.51 to 237.56, the Department of Commerce and any organization with which it contracts pursuant to this section or section 237.54, subdivision 2, are not telephone companies or telecommunications carriers as defined in section 237.01.

Subd. 2. [Repealed, 1995 c 190 s 17]

Subd. 3. [Repealed, 1995 c 190 s 17]

Subd. 4. [Repealed, 1995 c 190 s 17]

Subd. 5. Commissioner of commerce duties. In addition to any duties specified elsewhere in sections 237.51 to 237.56, the commissioner of commerce shall:

- (1) prepare the reports required by section 237.55;
- (2) administer the [TAM] fund created in section 237.52; and
- (3) adopt rules under chapter 14 to implement the provisions of sections 237.50 to 237.56.

C. Commission Role

1. Annual TAM Report

Minnesota Statute 237.55 requires the Commissioner of Commerce to present to the Commission by January 31 of each year, a report doing the following:

- Review the accessibility of telecommunications services to persons who have communication disabilities,
- Describe services provided,
- Account for annual revenues and expenditures for each aspect of the fund to date, and
- Include predicted program future operation.

Issue 1 deals with TAM's Annual Report and its acceptance.

2. TAM Budget and Surcharge

The Public Utilities Commission's (Commission) role with respect to the TAM budget and surcharge is outlined in Minn. Stat. §237.52, subd. 2(a), and relates largely to approval of the budget and surcharge as appropriate and adequate.

Subd. 2. Assessment. (a) The commissioner of commerce, the commissioner of employment and economic development, and the commissioner of human services shall annually recommend to the Public Utilities Commission an adequate and appropriate surcharge and budget to implement sections 237.50 to 237.56, 248.062, and 256C.30, respectively. The maximum annual budget for section 248.062 must not exceed \$100,000 and for section 256C.30 must not exceed \$300,000. ***The Public Utilities Commission shall review the budgets for reasonableness and may modify the budget to the extent it is unreasonable.*** The commission shall annually determine the funding mechanism to be used within 60 days of receipt of the recommendation of the departments and shall order the imposition of surcharges effective on the earliest practicable date. The commission shall establish a monthly charge no greater than 20 cents for each customer access line, including trunk equivalents as designated by the commission pursuant to section 403.11, subdivision 1. (Emphasis added)

Issues 2 and 3 deal with TAM's Annual Budget and proposed surcharge amount.

D. Recent TAM Dockets

On June 30, 2017, the Commission accepted the 2016 TAM Report, approved the budget for FY 2018, and kept the surcharge unchanged. The Commission also required the filing of legislative reports on the TED program and a report on its Wireless iPad/iPhone pilot program. (See Order Accepting Report, Approving Budget, Maintaining Surcharge, and requiring filings; Docket Nos. P999/PR-17-5 and 17-276.)

On July 18, 2017, the Commission issued its Order declining action on a proposed FY 2017 budget amendment, ordering an update in 60 days of the Department's and DHS's progress on

implementing the January 2017 Legislative Report, “Analysis of Deaf, DeafBLind and Hard of Hearing Services”. (See Order Requiring Filing; Docket No. P999/M-16-227.)

On July 3, 2018, the Commission accepted the 2017 TAM Report, kept the TAM monthly surcharge at \$0.05 per access line, and approved the budget for FY 2019. The Commission also required the next TAM Annual Report to address TED’s new outreach metrics and what is learned from them; the numbers of each type of equipment items purchased, deployed, returned, and retired; and lessons learned from the client contact surveys and resulting program changes. (See Order Accepting Report, Approving Budget, Maintaining Surcharge, and Requiring Filings; July 3, 2018; Docket Nos. P999/PR-18-5 and 18-194.)

On March 6, 2019, the Commission received from the Department a proposal to amend the TAM FY 2019 Budget and Surcharge recommendations to accommodate organizational changes to TAM’s TED program. The Commission accepted the proposed amendment to the current year budget in its Order on May 3, 2019. (See Docket No. P999/PR-18-194.)

III. The Department’s 2018 TAM Annual Report

On February 4, 2019, the Department submitted its 2018 TAM Annual Report, filed in accordance with Minn. Stat. § 237.55. It presents information on the major activities of TAM for the year. It also includes program history, a description of the Minnesota Relay and TED projects, financial and statistical data, a progress report, anticipated operations and organizational structure. In addition, this year’s report also presents supplemental information on the TED program requested by the Commission in this year’s report.

A. Minnesota Relay

1. Contract

The State of Minnesota contracts with Sprint Communications Company, L.P. for the provision of Telecommunications Relay Services (TRS) in Minnesota. The contract is effective from July 1, 2014, through June 30, 2019. TAM paid Sprint about \$1.47 million in FY 2018 after having projected payments of \$1.52 million. This follows payments in FY 2017 of about 1.66 million. Presently TAM projects payments of about \$1.45 million for FY 2019. (See Department in 2018 Annual Report at p. 39.)

2. Call Type and Volume

TAM describes the two categories of TRS (Department in 2018 TED Report at p. 17-18):

- Non-internet based relay services, which include TTY, CapTel, and Speech to Speech, which are administered and funded on a state level, and
- Internet based relay services, which include Video Relay Service (VRS), IP Relay, and IP Captioned TRS, which are currently under FCC jurisdiction and are paid for by an Interstate TRS Fund.

In 2018, Minnesotans placed 307,707 relay calls. This is a decrease of 36,715 from 2017; smaller than the decrease of 61,116 calls in 2016. During 2018, there were a total of 811,264 conversation minutes of use. The vast majority of calls continue to be through CapTel; less than 20 percent use traditional TRS; and a very small single digit amount are by Speech to Speech calls. The following Minnesota Relay call charts are in Appendix A of the 2018 TAM Report:

- 2018 Minnesota Relay Conversation Minutes by Type
- 2009 – 2018 Minnesota Relay Call Volume
- TTY-Based Call Volumes
- Speech-to-Speech Call Volumes
- CapTel Call Volumes

Overall, Minnesota Relay experienced the following changes in call volume from 2017 to 2018:

- 8% decrease in text telephone (TTY) based relay calls
- 57% decrease in Speech-to-Speech relay calls
- 11% decrease in CapTel relay calls

The Department notes at pages 2-4:

The migration to internet-based relay services, which are under the Federal Communications Commission's jurisdiction and paid for through a federal fund, continues to grow as consumers gain access to high-speed internet. Internet-based relay services tend to be easier to use, have additional features, and provide a more natural conversation flow than analog-based relay services. In addition, free relay apps can be downloaded to wireless devices, such as smartphones and tablets, allowing relay users to make calls from anywhere.

The use of Speech-to-Speech relay service has remained relatively steady over the years, possibly because there is no internet-based form of this type of relay service to which users can migrate. However, Minnesota Relay experienced a sharp decline in Speech-to-Speech use in 2018. The decline is due to a high-use consumer of this service passing away in April 2018.

Although there is a notable shift to internet-based relay services, until all consumers have access to high-speed internet at an affordable price, there will still be many Minnesotans who rely on TTY-based relay services.

3. Accessibility

Minnesota Relay provides 24/7 relay service for standard (voice), text telephone (TTY), wireless, or personal computer (PC) users to place local, intrastate, interstate, and international calls. In 2018, an average of 45 percent of Minnesota Relay calls were placed using the 7-1-1 dialing access. Users are still able to connect by dialing the 10-digit toll free access numbers. (Department in 2018 TAM Annual Report at p. 21)

The Department reports a state-of-the-art system that ensures that required levels of service are maintained in the event of processor failure. Sprint’s all-digital switching system is fully redundant to provide a non-stop environment for the relay call center. It provides caller accessibility that meets or exceeds industry standards and compliance with the state contract. The Minnesota Relay center uses both Uninterruptible Power Source and backup power generators to ensure uninterrupted power, even in the event of a power outage. Details of the features supporting reliability are listed on pages 18-21 of the 2018 Annual Report.

Regarding emergency calls:

Minnesota Relay encourages users to dial 911 or other existing emergency numbers directly in an emergency as using relay may result in a delay in getting their call through. However, some consumers are more comfortable using relay to access emergency services.

Minnesota Relay automatically and immediately transfers emergency relay calls to the appropriate Public Safety Answering Point (PSAP) that the caller would have reached by dialing 911 directly, or to a PSAP that is capable of dispatching emergency services in an expeditious manner. An emergency call is considered to be one in which the relay user indicates the need for police, fire department, paramedics, or ambulance. Minnesota Relay utilizes a standard E911 database that serves all of the United States. (See Department in 2018 TED Report at p. 21.)

The Department reports adequate answering speeds at page 22 noting that:

Minnesota Relay meets the Federal Communications Commission’s mandatory minimum standard for Telecommunications Relay Services (TRS) speed of answer. The standard (47 C.F.R. § 64.604), requires “TRS facilities shall, except during network failure, answer 85% of all calls within 10 seconds by any method which results in the caller’s call immediately being placed, not put in a queue or on hold.”

The chart below demonstrates the average speed of answer (in seconds), and the percentage of calls answered within 10 seconds (service level), for each type of Minnesota Relay call.

**Table 1: Minnesota Relay Answering
Speed of Answer Service Level**

TTY-Based	0.93	98%
Speech-to-Speech	6.73	88%
CapTel	0.84	99%

4. Complaints

In 2018, Minnesota Relay received 6 (six) complaints out of total 307,707 calls relayed (Department at p. 22-23). For a complaint to be filed, the relay communications assistant has the capability to transfer the caller directly to the Sprint or CapTel 24-hour Customer Service departments. The relay user may also request to speak to a relay supervisor during or immediately after a call. Relay users may also file a complaint with the TAM administrator, Minnesota Relay outreach staff, or the Federal Communications Commission.

The Department notes that:

... Sprint provides copies of each Customer Contact form to the TAM administrator monthly. In the event that TAM and the relay provider fail to resolve a Minnesota Relay complaint within 180 days after the complaint was filed, the Federal Communications Commission exercises jurisdiction over the complaint. Failure to meet the deadlines for complaint resolution can adversely affect the continued certification of Minnesota Relay (47 C.F.R. § 64.606).

TAM submits an annual Complaint Log Summary to the Federal Communications Commission in accordance with Code of Federal Regulations, title 47, section 64.604 (c)(1).

(See Department in 2018 TED Report at p. 22-23)

5. Milestones During 2018

a. Minnesota's Telecommunications Relay Services (TRS) Certification

On July 16, 2018, the Federal Communications Commission granted Minnesota's TRS certification, which is effective for a five-year period, beginning July 26, 2018, and ending July 25, 2023. (See Department in 2018 TED Report at page 10.)

b. Relay Misdialed Transfer Program

Relay centers across the United States, including Minnesota, have experienced a high number of misdialed calls. These calls divert resources from the community relying on this service.

In January 2018, Sprint implemented a process where communications assistants initially greet all inbound Minnesota Relay voice callers with the state's relay greeting and ask "May I have the number you are calling?" If the communications assistant is able to determine from the caller's response that the caller did not intend to connect to Minnesota Relay, the communications assistant will inform the caller that she has reached Minnesota Relay and will transfer the caller to a voice recording that explains relay services. This allows communications assistants to focus on legitimate relay calls. (See Department in the 2018 TED Report at p. 11.)

Sprint reported that there were no customer concerns or negative comments regarding the transfer or the voice message during the first 60 days of implementation.

c. Migration of the Sprint Relay Network to an Internet Protocol-Based Solution

In April 2018, Sprint moved all inbound and outbound relay calling to data networks using session initiated protocol. Sprint's relay services had been connected to the public switched telephone network using time division multiplexing circuits that consisted of SS7 and Integrated Services Digital Network lines. As the Department describes at page 11, the upgrade provides the following benefits:

- All call paths are geographically redundant and monitored.
- Allows sustainability and longevity for the TRS platform.
- Is the first step to enable additional services, such as Real-Time Text.

d. CapTel Call Center Added

In 2018, Sprint relay expanded operations by adding a Sprint-operated CapTel call center in Columbia, South Carolina. This provides diverse call routing options and greater geographic redundancy. All CapTel call centers use the same technology and follow the same training and procedures to help ensure consistent service quality. (Department in TED Annual Report, p. 12)

e. Transition from Text Telephone (TTY) to Real-Time Text (RTT)

This activity represents an on-going transition from Text Telephone (TTY) to Real Time Text (RTT) as the Department presents on pages 13-14.²

On December 11, 2017, AT&T became the first wireless provider to launch RTT. AT&T has an RTT app for download on iPhone and Android devices and has RTT natively available on its iPhone handsets running iOS 12. AT&T states that their RTT app performs best on 4G enabled devices; 3G network functionality is limited.

T-Mobile has RTT natively available on its iPhones, LG G6, and Samsung Galaxy Note8 handsets. T-Mobile customers must be using VoLTE or Wi-Fi calling.

Verizon has RTT natively available on its iPhones, LG G6 and LGV40ThinQ, Samsung Galaxy Note9, and moto z³ handsets.

Sprint is the only Tier 1 CMRS provider not currently providing RTT access. Because Sprint has not transitioned to VoLTE, Sprint has chosen to continue supporting TTY over its CDMA network for the foreseeable future.

The 2018 TAM Annual Report notes that RRT may prove to be popular with all consumers, not just people with hearing or speech disabilities, and could become a new standard for text-messaging services. However, because RTT is only available on select devices, and only works on VoLTE, 4G, and 5G networks, its use is very limited at this time. Other limitations on RTT include:

- RTT is currently not available through all wireless providers and on all devices;
- RTT is not integrated into TRS operations;
- RTT is not able to text to wireline phones;
- Wireless phone service is not available in some rural areas;
- Wireless phone service is not affordable for all consumers; and
- RTT is incompatible with Braille and other assistive technologies.

6. Anticipated in 2019: Deafblind Focus group

For the upcoming year the Department reports:

While internet-based relay services are not under state jurisdiction, Minnesota

² See *Transition from TTY to Real-Time Text Technology*, CG Docket No. 16-145; *Petition for Rulemaking to Update the Commission's Rules for Access to Support the Transition from TTY to Real-Time Text Technology*, and *Petition for Waiver of Rules Requiring Support of TTY Technology*, GN Docket No. 15-178, *Report and Order and Further Notice of Proposed Rulemaking*, released December 16, 2016.

consumers use these services in increasing numbers. In February 2019, Sprint will conduct an internet protocol (IP) focus group in Austin, Texas, to gather information on enhancements and improvements to support Sprint IP Relay users who are deafblind. (See Department in 2018 TAM Report page 14.)

B. Telephone Equipment Distribution (TED)

1. TED Overview

The Department reports on TED program specifics in the 2018 Annual Report on pages 23 to 31; addresses related restructuring in DHS on pages 31-32; and reports on combined outreach (with Minnesota Relay) on pages 34-38.

The TED Program is administered through an interagency agreement between the Department of Human Services (DHS) and Commerce. The DHS's Deaf and Hard of Hearing Services Division (DHHSD) offices are staffed with professionals experienced in working with people who are deaf, hard of hearing, deafblind, speech disabled, or physically disabled. In FY 2018, TED Program services were provided through five of the DHHSD regional offices: Duluth, Mankato, Moorhead, St. Cloud, and St. Paul.³ (See Department in 2018 TAM Report at p.23.)

TAM paid DHS/TED about \$1.4 million in FY 2016. (See 2016 Annual Report at p.29.) In 2017 TAM paid DHS/TED about \$1.55 million. (See 2017 TAM Report at p. 32.) In 2018 TAM paid DHS/TED about \$1.31 million and projects payment in 2019 as being \$1.48 million. (See Department in 2018 TAM Report at p. 39.)

TED provides specialized telecommunications equipment to eligible deaf, hard-of-hearing, speech-impaired and mobility-impaired persons to allow them access to the telecommunications network. It trains participants in the use of equipment provided and provides outreach to inform the public of services available.

The TED Program provides repeat service to equipment recipients who need further assistance after equipment is initially provided to them. Program participants often contact the TED Program to receive additional training, repair/replacement of equipment, or to exchange equipment because their communication needs have changed (e.g. a person's hearing deteriorates and the equipment they initially received no longer meets their needs). (See Department in 2018 TAM Report at p. 25.)

Minnesota Statutes section 237.51, subdivision 5(a)(3) provides DHS with the authority to establish specifications for telecommunications devices to be provided under section 237.53, subdivision 3. (Department in 2018 TED Report at p. 23.)

³ In 2020, the DHS Deaf and hard of Hearing Services Division will also have co-work locations in Grand Rapids and Rochester.

The types of equipment distributed include:

- Amplified Telephones (both hearing and voice)
- Bluetooth Cordless Amplified Phones
- Captioned Telephones
- Remote Control Speaker Phones
- Amplified Cell Phones
- Basic Smartphone
- Wireless Accessories (Bluetooth neckloop, cell phone amplifier, and visual signaler)
- Ring Signaling Devices (auditory, visual, and tactile)
- Text Telephones (TTYs)
- Braille Phones
- Hearing Carry Over Phones
- Voice Carry Over Phones
- Special Needs Devices (for multiple disabilities)
- iOS Tablets and Smartphones (for pilot program)

The Department reports continuing stakeholder engagement:

DHS-DHSD has established six advisory committees throughout Minnesota. Each meets quarterly and serves as a venue to provide information to, and gather information from, the community. Advisory committee meeting minutes are provided to the TAM administrator and TED Program administrator so that issues, questions, and concerns regarding Minnesota Relay and the TED Program may be addressed. The TAM administrator attends the Metro advisory committee meetings, and a Minnesota Relay Outreach/TED Program staff person attends one meeting per region, per year. (See Department in 2018 TED Report at p. 38.)

2. ClientsServed

In 2018 TED served 448 new program participants, and 1,062 repeat participants. It provided information and referrals to 205 consumers and agencies, for a total of 1,715 Minnesotans receiving some manner of service. TED distributed 2,591 telecommunications and auxiliary devices. (See Department in the 2018 TED Report at p. 4.)

TED's oldest participant is 103 years old, and the youngest is 10 years old. TED's average consumer in 2018 is female, 82 years old, and hard-of-hearing. In 2018, 67 percent of the clients served were female, and 77 percent lived outside of the seven-county metropolitan area. Ninety percent of participants are hard-of-hearing, 22 percent hard of hearing with vision loss, 2 percent deaf, 4 percent physically disabled, and 2 percent have other disabilities (deaf-blind or speech disabled). (See Department in 2018 TED Report p. 24)

3. Equipment Acquisition, Distribution, Retrieval, and Disposition

The 2018 TAM Report provides a broad overview of the percentages of equipment distributed using in a pie chart on page 2 of Appendix B. Equipment distribution in 2018 is summarized in Appendix B shows: amplified phones (58.8%), captioned telephones (19.5%), auxiliary equipment (13.5%), speaker phones (3.1%), iPads (0.1%), iPhones (0.3%), cell phones (3.4%), and TTYs (0.9%). Services are provided through the regional offices of the Deaf and Hard of Hearing Services Division (DHSD) of the Department of Human Services.

In response to the Commission's request, TED has provided a detailed accounting for 2018 of each

type of equipment purchased, deployed, returned, and retired during the year. (See Department in 2018 TED Report at p. 29-30.) This is shown in Appendix B of this briefing paper.

4. Wireless iPad/iPhone Pilot Phase Two

The iPad/iPhone pilot program ended on February 27, 2017. The Department found that the TED Program did not collect adequate and reliable data during the pilot. The Department also recommended that stronger controls needed to be implemented. A revised program was recommended with stronger controls, and more measurable outcomes. A revised proposal for phase two was submitted in November 2018 and approved by the Department. (See Department in 2018 TED Report at p. 30.) The Department describes the revised pilot as follows:

... The phase two pilot is limited to 30 participants for a duration of 3 months. ... To participate in the pilot there are stricter criteria to ensure comprehensive data is collected [and the following questions that will be answered through monthly surveys:]

1. What are the needs for deaf, hard of hearing, deafblind, speech and physically disabled persons to use advanced wireless devices?
2. How do tablets and smartphones impact telecommunication access for people who are deaf, hard of hearing, deafblind, speech and physically disabled?
3. Which applications do deaf, hard of hearing, deafblind, speech and physically disabled person prefer to access telecommunication services?
4. Do advanced wireless devices provide a better functional equivalent experience to people with disabilities?
5. What benefits and disadvantages does advanced wireless devices have accessing telecommunication services?
6. Should the TED Program add tablets and smartphones to their wireless program?

... [P]articipants will evaluate iPads and iPhones limited to pre-installed telecommunication applications. The iPads and iPhones will be “locked” so participants cannot download non-telecommunication applications during the duration of the pilot. The TED Program wants participants to evaluate their access to telecommunication apps only.

(See Department in the 2018 TED Report at p. 31.)

A report on the results of the revised pilot will be shared with Commerce and DHS. The results and further discussion will guide whether the TED Program should create a full distribution program for enhanced wireless devices.

C. Deaf and Hard of Hearing Services Division Redesign

Redesign of the Deaf and Hard of Services Division (DHHSD) responds to concerns raised since 2017 in legislative reports and subsequent discussions. (See “Recent TAM Dockets” earlier in this briefing paper). Most recently, the Amendment to the FY 2019 TAM budget presented line item changes

reflecting this redesign. (See Docket No. P999/PR-18-194, Order Accepting Proposed Amendment, May 3, 2019.)

The Department presents the broad discussion of this redesign in the TAM 2018 Annual Report at pages 31-33. Additional details are presented in the TAM FY 2020 Budget and Surcharge Recommendations (Docket No. P999/M-19-151) in Attachment C.

Importantly, the changes restructure from a regional service model to one of division-wide programs organized by functions. Staff are now organized by program units: DHHS Specialists Services, Mental Health Services, Operations, and Telephone Equipment Distribution. All TED Program specialists now report to the TED Program administrator.

In addition, following the 2017 statutory mandate to explore co-locating staff with other entities, some division staff will instead work in other locations, such as county or nonprofit buildings. Work is still in progress on this initiative. The objective is to improve the division's coverage of rural areas, and reduce the amount of time some staff spend traveling to and from clients. The division will develop communication strategies for keeping staff connected based on similar teams in DHS and on staff input. In line with this change, clients will now be served by whichever staff person is closest or most convenient for them to access.

Specific staffing changes include adding labor for: information and referral specialists (intake staff); communications coordination; web development; data management; and program management. These additions are offset by reductions in general program support and elimination of regional managers.

D. Minnesota Relay and TED Outreach

1. Overview

In 2018, staff performed 143 Minnesota Relay and TED Program outreach activities reaching 6,219 Minnesotans. Reports containing outreach efforts are compiled monthly by the TED Program and sent to the TAM administrator. (See 2018 TAM Annual Report at p. 34 to 38 for a listing of outreach events.)

Minnesota Relay outreach is provided under an interagency agreement with the DHS – TED Program. Staff provide education on Minnesota Relay services through informational pamphlets; training for consumers and businesses; making presentations at senior centers, health care facilities and social service agencies; and participating in exhibitions. (See 2018 TAM Annual Report at p. 33.)

DHHS is responsible for the promotion and education of TED Program services. While websites, emails, and telephone calls can be an efficient, effective, and convenient way of providing information, TED Program specialists find that many clients are more receptive if services are provided in person. As such, TED Program specialists often travel to client homes to conduct equipment needs assessments, set up equipment, and provide training on the complexity of the device. In-home

visits help eliminate apprehension and result in a more personal, relaxed, and productive experience for the client.

(See Department in the 2018 TED Report at p. 34.)

In addition to in-home client visits, 2018 TED outreach efforts also included: exhibition participation; presentations at senior apartments, healthcare facilities, and social service agencies; advertising in publications; TV advertising; mass mailings and cold calls to locations such as those where presentations may be made. (See 2018 TAM Annual Report at p. 34.)

In July 2018, the Commission approved the *TAM FY 2019 Proposed Budget and Surcharge Recommendations*. In this Order⁴, the Commission asked the TED Program to address the following 2 items in the 2018 TAM Annual Report.

2. TED Program's New Outreach Metrics and Lessons Learned

In January 2018, the TED Program implemented new outreach performance measures. Each TED program application distributed had a specific code to track the effectiveness of the outreach effort. Response rates to surveys were 2% or lower. During 2019 the TED program indicates that it will assess how to get a higher response rate among participants. (See 2018 TAM Annual Report at p. 25-28.)

Presentations: Twenty-seven of 1,538 participants responded. Survey respondents indicated that: the application process was clear (92%); that the information presented was helpful (94%); and that they planned to apply or refer another (75%).

Booth: Forty-six of 4,852 participants responded. "Contact Me" card respondents indicated; they wanted further follow up contact (52%); information was helpful (93%); and that they planned to apply or refer others (80%). Booth events also provided the opportunity to network with other service providers.

Drop-in/Cold Calls: There were 600 cold calls at which 1,135 applications were distributed. Three applications resulted. However, many times a request for future presentations result of these visits.

Mass Mailings/Emails: Mass mailings are used when letters and program brochures are mailed out to service providers. The performance measure that was established was how many additional persons requested additional TED applications after receiving the original mailing. This method has high effort and a very low response rate (0.5 percent). Overall responses were:

- Number of participants receiving the mailings were 4,741,
- Number of applications distributed were 794, and
- Number of applications returned was 4.

⁴ Order Accepting Report, Approving Budget, Maintaining Surcharge, and Requiring Filings, Docket Nos. P-999-PR- 18-5 and P999-/PR-18-194, released July 3, 2018

TRS Equipment In-Home Training: Twenty participants received in-home training during 2018. Five completed a short survey indicating: they clearly understood the process (100%); the information was helpful (100%); and none of the participants planned to make a referral to the TED program.

Advertisements: The TED Program tracks the referrals when someone calls for a TED Program application. Staff have to rely on the memory of the person calling to determine if the referral was from an advertisement. This is not always reliable because most of the clients are senior citizens and cannot recall accurately the publication. The response rate for advertisements are higher than other promotions but the cost is higher:

- 25 calls were received with the an advertisement as the referral
- 21 applications were mailed out
- 10 applications were returned

3. TED Program Client Contact Surveys and Resulting Changes

The Department updates the Client Contact Surveys as follows;

To comply with findings from the TAM audit in 2015, the TED Program continued following up with program clients to determine if they are still using their equipment. In 2017, the TED Program followed-up with clients who received equipment three years prior. Many clients did not recall receiving services and equipment from the TED Program. The program thought client's recollection may be better going back two years. In calendar year 2018, the TED Program decided to survey clients who received equipment two years ago instead of three. Three hundred and ninety seven clients were contacted. The results of those contacts are:

- 38 percent of clients are using the equipment and it is still in working condition
- 13 percent of the clients have passed away
- 10 percent of clients needed some kind of follow-up service, i.e., needed a reassessment, additional training, or the device was broken
- 32 percent of clients were unable to be reached
- 3 percent of clients no longer needed the device

In 2019, the TED Program will follow-up with clients receiving assistance two years ago with modified procedures based on what was learned in 2018.

(See 2018 TAM Annual Report at p. 28.)

E. TAM Fund Accounting of Money Received and Disbursed

The budget anticipates reducing the TAM Fund balance in FY 2019 by \$734,873 following a reduction in FY 2018 by \$827,659. This is accomplished through a \$124,818 growth in revenues and a \$175,498 growth in expenditures. The 2018 Annual Report on page 39 shows TAM actual revenues of \$4.21 million in FY 2018 and projected revenues of \$4.34 million in FY 2019. Expenditures totaled \$4.90 million in FY 2018 and are projected at \$ 5.08 million in FY 2019. The TAM fund balance was \$2.3 million at the end of FY 2015, \$3.1 million at the end of FY2016, \$2.6

million at the end of FY 2017, \$1.91 million at the end of FY 2018 and anticipated to be \$1.18 million at the end of FY 2019. (See 2018 TAM Report at p. 39 for details.)

A summary of FY 2018 actuals and FY 2019 estimated financial data are provided for 4 major program categories below in Table 2.

Table 2: Summary of Expenditures, by TAM Program, FY 2018 Actual and 2019 Budgeted

Program	FY 2018 Actual (in \$ M)	FY 2019 Budgeted (in \$ M)
Program Administration	0.116 (2%)	0.143 (3%)
Minnesota Relay	1.469 (30%)	1.450 (29%)
Equipment Distribution	1.314 (27%)	1.705 (34%)
Subtotal	2.899	3.298
Other Programs	2.005 (41%)	1.781 (35%)
Total TAM Expenditures	4.904 (100.0%)	5.079 (100.0%)

F. Staff 2018 TAM Annual Report Analysis and Recommendation

No parties have filed comments on this matter. The 2018 TAM Annual Report meets statutory minimum requirements set forth in Minn. Stat. § 237.55 requiring it to:

- Review the accessibility of telecommunications services to persons who have communication disabilities,
- Describe services provided,
- Account for annual revenues and expenditures for each aspect of the fund to date, and
- Include predicted program future operation.

The Minnesota Relay transition to RTT from TTY continues with some limitations. Text to 911 is implemented. The current relay network has been migrated to an IP-based solution.

In the TED portion of the program, a noteworthy overall observation is the continued trend to the increased use of the internet and apps on mobile devices, and more individualized service support. Program reassessment and updating appears to be progressing. The additional information that the Commission requested in its order last year is included in the 2018 TAM Annual Report about both the TED needs identified and remedial actions underway. Those regarding equipment distribution are especially helpful in understanding the program.

As a point of interest, Staff notes that more detailed information on TED equipment is presented on a forward looking basis in the TAM FY 2020 Budget and Surcharge Recommendation, Appendix C, p. 9-12.

While the Commission could elect to “approve” or otherwise acknowledge the 2018 TAM Annual Report, it traditionally chooses to “accept” required annual reports such as this. If in the course of

discussion the Commission recognizes a significant deficiency in the report, the Commission could direct its revision or augmentation.

Staff recommends the Commission accept the 2018 TAM Annual Report.

IV. Should the Commission Approve TAM's Proposed Budget for FY 2020?

A. Budget Overview

On April 15, 2019, TAM filed its TAM FY 2020 Budget and Surcharge Recommendations (TAM FY 2020 Recommendations) for Commission approval. The budget presented anticipates the surcharge being increased from \$0.05 to \$0.06. In its recommendation. TAM estimates revenues of \$5,015,894, expenditures of \$5,008,241 resulting in a \$7,653 increase in the TAM Fund balance to \$1,396,012 at the end of FY 2020. (See TAM FY 2020 Recommendations, Attachment A at p. 1 of 8.)

The following attachments to the TAM FY 2020 Recommendations describe the specific program's budget proposals and justification for the funding level.

<i>Budget Attachment</i>	<i>Description</i>
A	TAM Fund
B	TAM Administration
C	Telephone Equipment Distribution
D	Rural Real Time Captioning
E	Accessible News for the Blind

Table 3 presents the main TAM expenses for FY 2019 and FY 2020:

Table 3: TAM's FY2020 Budget Proposal, with comparative figures for FY 2019

	FY2019	FY2020	Year to Year Change
A. <u>Department-TAM</u>			
TAM Administration	142,500	142,050	(450)
Tel Eqpt. Distribution	1,479,765	1,545,640	65,875
Minnesota Relay	1,449,500	1,315,500	(134,000)
Relay Outreach	-----	--	0
Sub-total	3,071,765	3,003,190	(68,575)
B. <u>Other Funded Programs</u>			
DHS Captioning	297,032	295,051	(1,981)
DEED – News for Blind	100,000	100,000
MCDHH	1,170,000	1,170,000
MN.IT Services (1)	290,000	290,000
MN IT Services (2)	\$50,000	\$50,000
Legislative Coord. Comm.	100,000	100,000
Sub-total	2,007,032	2,005,051	(1,981)
Total	5,078,797	5,008,241	(70,556)

TAM requests Commission approval of its FY 2020 budget of \$5,008,241 which is a \$70,556 decrease from its FY2019 budget.

B. Staff Budget Analysis and Recommendations

No other parties have filed comments on this matter. Staff also notes that TAM “is submitting the FY 2020 proposed budgets on behalf of the other programs supported by the TAM Fund, but has not analyzed the costs proposed by these programs.” (See TAM FY 2020 Budget and Surcharge Recommendation at p. 1.) Similarly, the budget is reviewed by the Commission for its reasonableness.

Anticipated changes to the TED program have been incorporated into the FY 2020 budget with only negligible changes. (See TAM FY 2020 Recommendations at Attachment C, and Commission Order Accepting Amendments on May 3, 2019, Docket No. P999/PR-18-194.) Explanations of the TED program changes, including staff reallocations and the opening of co-work locations in Grand Rapids and Rochester, appear responsive to expectations raised in recent TAM proceedings before the Commission and appear reasonable.

It is noteworthy that the total TAM budget continues to be reduced and that TAM fund balance is stabilized in FY 2020 (reversing recent declines with an anticipated 0.5 percent increase.)

The Commission traditionally acts to “approve” the recommended budget, if reasonable, under the Commission’s statutory authority discussed earlier. If in the course of discussion the Commission recognizes a significant deficiency in the budget proposal, the Commission can direct its revision to make it reasonable. While a departure from past practice, the Commission is not specifically prohibited from “accepting” or otherwise acknowledging the TAM FY 2020 budget recommendation. (See Minn. Stat. §237.52, subd. 2(a))

Based on the presented overview, Staff believes the budget submitted is reasonable. Staff recommends approval of the submitted TAM FY 2020 budget.

V. Should the Commission Approve the TAM Surcharge Increase to \$0.06?

A. Program Revenue and Fund Balance

A surcharge reduction to \$0.05 was made 3 years ago and continued since, lowering the TAM Fund balance. The TAM FY 2020 budget anticipates a surcharge increase to \$0.06. In doing so, the Department notes:

TAM recommends that the surcharge be increased to \$0.06, which will support all TAM Fund programs in FY 2020, and should enable TAM to distribute the anticipated funding payments necessary at the start of FY 2021.

... [A] surcharge of \$0.06 and the budgets proposed for the various programs is anticipated to result in a projected fund balance of approximately \$1.4 million at

the close of fiscal year 2020. It is anticipated that the fund will need approximately \$1.3 million at the start of fiscal year 2021, which provides for two months operating expenses for TAM administration, Minnesota Relay, and the Telephone Equipment Distribution (TED) Program, as well as funding to distribute initial biannual and quarterly payments to the other TAM Fund programs. (Emphasis added. See TAM FY 2020 Recommendations at p. 2.)

Scenarios for different surcharge levels are shown in the TAM FY 2020 Recommendations at page 2. From these projections it can be seen that surcharge amounts less than \$0.06 bring the TAM Fund into deficit in the upcoming year or immediate months thereafter. Higher amounts over-collect beyond the immediate needs of the budget.

In making its recommendation for an increase in the surcharge, the Department requested:

If the Commission determines that an increase in the TAM Fund surcharge amount is reasonable, ***TAM recommends that the effective date of the change to the surcharge amount be the first billing cycle on or after July 1, 2019, or such date that any change to the 9-1-1 and/or TAP surcharge is implemented, provided that the effective date accommodates the required minimum notice of fee change.*** (Prepaid wireless retail transaction fee changes are effective 60 days after the first day of the first calendar month after the Public Utilities Commission changes the fee. Telecommunications companies and carriers must be provided 45 days' notice of fee change.) (Emphasis added. See Department in TAM FY 2020 Recommendations at p. 3.)

B. Staff Analysis and Recommendation

No other parties have filed comments on this matter. As discussed above, Staff notes that not approving the recommended \$0.06 surcharge level will soon lead to fund under-collection or over-collection. After a recent period of underfunding to reduce the TAM Fund balance to very near the amount needed in the first quarter following FY2020, TAM's presentation supports an increase of the surcharge to \$0.06.

Staff recommends approval of the \$0.06 surcharge, effective July 1, 2019.

VI. What other action, if any, should the Commission take in this matter?

In the May 2, 2019 Agenda Meeting discussion of the then-pending amendment to the FY 2019 TAM budget, the Department indicated that while it had some concerns over its existing interagency agreement with DHS, it would not act on changes while a financial audit of the agencies' TAM activity was underway. The Department noted that it was a financial audit (not programmatic) being done by the Office of the Legislative Auditor (OLA). Completion is anticipated in the fall of 2019. (See May 2, 2019 Commission Agenda Meeting in Docket No. P999/PR-18-194.)

Neither the OLA financial audit now being done nor the pending revisiting of the Department/DHA interagency agreement were included in the documents filed in previous dockets or in the present proceeding. The Commissioners may wish to request:

- that the financial audit report be posted to this docket record when completed and/or
- changes, if any, to the interagency agreement between the Department and DHS be addressed in next year's 2019 Annual Report .

VII. Commission Options and Staff Recommendations

A. Commission Options for Issue 1: Should the Commission accept TAM's 2015 Annual Report?

- A.1. Accept TAM's 2018 Annual Report. **(Department and Staff recommend)**
- A.2. Deny acceptance of the TAM 2018 Annual Report.
- A.3. Other action determined by the Commission.

B. Commission Options for Issue 2: Should the Commission approve TAM's proposed budget for FY 2019?

- B.1. Accept TAM's FY 2020 proposed budget. **(Department and Staff recommend)**
- B.2. Deny TAM's FY 2020 proposed budget.
- B.3. Modify the TAM FY 2020 budget determined by the Commission.

C. Commission Options for Issue 3: Should the Commission direct an increase in the surcharge at \$0.06?

- C.1. Approve the increase of the surcharge to \$0.06 with the effective date of the change to be the first billing cycle on or after July 1, 2019. **(Modified after Department and Staff recommend)**
- C.2. Set the surcharge at another level determined by the Commission.

D. Commission Options for Issue 4: What other action, if any, should the Commission take in this matter?

- D.1. Direct that TAM submit as an informational filing the upcoming audit report by OLS concerning TAM finances at the time of its completion. **(Staff Recommended)**
- D2. Direct TAM to include in the 2019 TAM Annual Report the status of changes to the TAM interagency agreement between the Department and DHS.
- D.2 Take no other action.
- D.3. Another action as determined by the Commission.

Staff Recommendation: Options A.1, B.1, C.1 and D.1.

Attachment A: Other Programs Funded by the TAM Surcharge, 2005-2020

Name of Program/Agency Administrator	Year/s Covered	Appropriation	Funding Purpose
Accessible News for the Blind (ANB)/ Dept. of Employment and Economic Development (DEED)	2005-2020	Maximum annual budget of \$100,000 appropriated to DEED per Minn. Stat. §237.52, subd. 4.	Provides accessible electronic information (news and others) for blind and disabled persons.
Rural Real-time Captioning/Dept. of Human Services (DHS)	2005-2020	Maximum annual budget of \$300,000 appropriated to DHS per Minn. Stat. § 237.52, subd. 4	Provides real-time, closed- captioning of certain local television programs who deaf, hard-of-hearing or deaf/blind persons.
Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans (MCDHH)	2007 2008 -2009 2010- 2011 2012 -2013 2014 2015-2017 2018-2020	Started with \$200,000 for 2007 operations. Increased to \$300,000 Increased to \$400,000 Decreased to \$320,000 Increased to \$500,000 Increased to \$800,000 Increased to \$1,170,000	Advocates for equality of opportunity for hearing- challenged persons. American Sign Language website content and to assist state agencies
State Video Franchising	2009	\$85,000 appropriation	Study
Broadband	2009	\$175,000 appropriation	Mapping project
MN.IT (former Office of Enterprise Technology)	2010- 2011 2012 2013 2014 – 2020 ----- 2017 - 2020	\$100,000 \$230,000 \$210,317 \$290,000 ----- \$50,000	Technology accessibility and usability ----- State agency consolidated access fund
Legislative Coordinating Commission	2010-2011 2012-2016 2017- 2020	\$100,000 \$150,000 \$100,000	Captioning of live streaming of legislative sessions, consolidated access fund for other state agencies
Transfers to the general fund	2010 2011 2013	\$ 246,000 \$ 270,000 \$1,100,000	

Attachment B: Equipment Purchased, Deployed, Returned and Retired in 2018

Annually, the TED Program purchases new equipment, distributes (new and refurbished), equipment is returned, and equipment becomes retired (recycled or disposed). This is a standard circulation cycle for equipment. Below are charts that summarize the number of purchased, distributed, returned and retired devices per equipment type.

Purchases of New Equipment

Equipment Type	Pieces of Equipment
Amplified Telephones	525
Captioned Telephones	177
Auxiliary Equipment (ringers, neckloops, switches)	235
Speaker Phones	9
iPads	0
IPhones	0
Cell Phones	57
TTYs	4
Other (Telitalk Emote, VCO, Braille)	11
TOTAL	1,018

Total Distributed Equipment (New and Refurbished)

Equipment Type	Pieces of Equipment
Amplified Telephones	1523
Captioned Telephones	505
Auxiliary Equipment (ringers, neckloops, switches)	349
Speaker Phones	81
iPads	2
IPhones	7
Cell Phones	89
TTYs	23
Other (Telitalk Emote, VCO, Braille)	12
TOTAL	2,591

Returned Equipment

Equipment Type	Pieces of Equipment
Amplified Telephones	394
Captioned Telephones	135
Auxiliary Equipment (ringers, neckloops, switches)	61
Speaker Phones	12
iPads	3
iPhones	0
Cell Phones	2
TTYs	7
Other (Telitalk Emote, VCO, Braille)	15
TOTAL	629

Disposed/Recycled Equipment

Equipment Type	Pieces of Equipment
Amplified Telephones	349
Captioned Telephones	154
Auxiliary Equipment (ringers, neckloops, switches)	83
Speaker Phones	17
iPads	0
iPhones	0
Cell Phones	3
TTYs	22
Other (Telitalk Emote, VCO, Braille)	14
TOTAL	642